fax to DJ 10-11-96

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SPECIALIZING IN INTELLECTUAL PROPERTY MATTERS, UNFAIR COMPETITION AND RELATED LITIGATION
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October 8, 1996

John R. Benefiel, Esq.
280 Daines Street, Suite 100 B
Birmingham, MI 48009

Re: U. S. Patent No. 5,472,790
New Age v. Progressive International

Dear Mr. Benefiel:

Subsequent to your June 25, 1996, letter, my client was advised that Progressive had not sold any product, and did not have any samples to make available to New Age for evaluation. We have just now received copy of a product which apparently will be placed on sale in the near future. For your reference, the sample we have is identified as made in Taiwan for Progressive International Corporation, bar code 7891531008.

We are having these products tested. However, assuming the position most favorable to your client, that is, that the flexural modulus is 227,600 psi and the Rockwell hardness 105, we are confident a court would find these products within the scope of New Age Products' claims, either literally or under the Doctrine of Equivalents. Since your letter, the Court of Appeals for the Federal Circuit has made it clear that the Doctrine of Equivalents can be utilized to expand a range beyond that specifically recited in the patent.

As to the paragraph you cite as being a basis for prosecution history estoppel, we know of no authority that arguing that a specific combination of thickness, length, width, hardness, lay-flat characteristics and flexibility are required would somehow make the ranges described in the specification unextendable. In fact, the only ranges cited by the Examiner in the prosecution history were in the Encyclopedia, which stated a much broader range--100,000 psi to 600,000 psi. I think you would agree with me that a 600,000 psi flexural module would be too stiff to provide the "required flexibility." If you have case authority for the proposition that arguing features achieved by a combination of structural characteristics set forth as ranges in the application somehow prohibits the patentee from later asserting infringement under the Doctrine of Equivalents, please let me know.

[LTRMBENE96.J08]

Insofar as the 1983 Countermaid® literature is concerned, we do not know, and I assume you do not know, the characteristics of the material in that product. However, having handled a sample of the material, I can assure you that in the example used in the patent, it would not support ten ounces at ten inches or, for that matter, five ounces at five inches. The words in the advertisement may sound similar, but the product in use was different entirely. On the other hand, when I pick up and flex the Progressive International product identified as above, and compare it to the current version of my client's product (well within the scope of the claims), your client's product functions in a manner which is indistinguishable from the New Age product.

You may be willing to argue to a judge that the product whose sole apparent difference is a half-inch in width, and texture on two sides, instead of one, is not substantially equivalent to the New Age product, but I do not think that getting to that point is in your client's interest. Please let us know.

As you know, for a written legal opinion to protect your client, the courts have required certain minimum standards. If these standards are not met, and your client is found to have acted in bad faith, damages against your client would treble. There appears to be a substantial case for a lost profit damage award. If your client is prepared to give a damage award to my client of three times my client's loss, then perhaps he should continue on his reckless course. We suggest that he should carefully consider the fact that all other products in the market which have these characteristics either emanates from my client, or is licensed by my client.

Very truly yours,

Neil F. Martin

NFM:be

cc: Marvin Mick

[LTRMBENE96.J08]